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U.S. GRAND JURY INDICTS FORMER COOK COUNTY COMMISSIONER, FORMER CHICAGO ALDERMAN, AND SIX OTHERS IN ALLEGED CORRUPTION SCHEMES

CHICAGO — Two former local public officials and five businessmen who were arrested last month on public corruption charges were formally indicted today for allegedly participating in one or more corruption schemes. A federal grand jury returned indictments against former Cook County Commissioner **Joseph Mario Moreno**, former Chicago Ald. **Ambrosio Medrano** and six others that mirror the charges filed last month in criminal complaints. One of the defendants is a businessman charged for the first time for allegedly engaging in an extortion scheme with Moreno during his tenure as an elected public official.

The new defendant, **Ronald Garcia**, 53, of Lockport, owned and operated Chicago Medical Equipment & Supply, Co., which was certified by Cook County as a minority business enterprise (MBE). Between March 2008 and July 2009, Moreno and Garcia allegedly conspired to extort a company that won a county contract to force it to use Garcia's company as a minority subcontractor.

The indictments also allege the following bribery schemes that were charged last month:

- ▶ an alleged effort by Moreno, Medrano, and two Chicago area businessmen to use bribery and kickbacks to sell bandages to public hospitals, including Cook County's John H. Stroger Hospital;

- ▶ an alleged effort by Medrano and two other businessmen, including the owner of a Nebraska-based provider of prescription drug services that claims 11 million subscribers, to use bribery and kickbacks to obtain business from an unnamed out-of-state hospital system; and
- ▶ Moreno's alleged acceptance of \$5,000 as part of a bribe to ensure development of a waste transfer station in suburban Cicero while he sat on a town economic development panel.

A 10-count indictment returned today alleges that Moreno, a Cook County commissioner for 16 years until 2010, and Medrano, the former alderman who later worked on Moreno's county staff, accepted bribes in return for using their influence as county officials to steer public contracts to businesses. This indictment charges the alleged bribery schemes involving the contracts for bandages and the alleged extortion to hire Garcia's company, as well as Moreno's alleged Cicero bribe.

Moreno, also known as "Mario Moreno," 59, of Chicago, was charged with three counts of bribery, two counts of wire fraud, and one count each of extortion and conspiracy to commit extortion. Medrano, 58, of Chicago, was charged with two counts of wire fraud and one count each of bribery and conspiracy to commit bribery. Moreno and Medrano were both released on secured bonds following their arrests last month.

Also charged in the same indictment were:

Stanley Wozniak, 49, of Chicago; two counts of wire fraud and one count of bribery;

Gerald W. Lombardi, also known as "Jerry Lombardi, Sr.," 59, of Darien; two counts of wire fraud and one count each of bribery and conspiracy to commit bribery;

Jerry A. Lombardi, Gerald Lombardi's son, 33, of Downers Grove; one count of conspiracy to commit bribery; and

Garcia; one count each of extortion, conspiracy to commit extortion, and bribery.

Wozniak and the Lombardis, who were agents of Chasing Lions, LLC, a disabled veterans-owned business in west suburban Lisle, were also released on bond following their arrests in June. All six defendant will be arraigned on dates to be determined in U.S. District Court.

The new allegations regarding Moreno and Garcia state that Garcia provided Moreno and his wife with a \$100,000 home mortgage loan in July 2007. In November 2007, Cook County requested bids on a contract to assist county health facilities in reducing costs and increasing revenue. Company A submitted a bid that proposed using Garcia's Chicago Medical company as a minority subcontractor, which was supported by Moreno. Company B submitted a bid that proposed using minority subcontractors but did not include Chicago Medical.

Moreno and Garcia allegedly conspired to use Moreno's influence as a commissioner to take actions adverse to Company B's attempts to obtain and maintain the county contract unless Company B used Chicago Medical as a subcontractor for that contract. During the time that Moreno allegedly was pressuring Company B, Garcia released the \$100,000 mortgage even though Moreno had not fully repaid the loan. As a result of Moreno's and Garcia's actions, Company B paid Chicago Medical approximately \$460,000, according to the indictment.

The indictment seeks forfeiture of approximately \$100,000 from Moreno and approximately \$460,000 from Garcia.

A second, single-count indictment was returned today against Medrano, **James Barta**, 70, of Fremont, Neb., and **Gustavo Buenrostro**, 49, of Arlington Heights, charging them each with conspiracy to commit bribery. Barta, the president and owner of Sav-Rx, a Fremont, Neb.-based national provider of managed care prescription medication services, Buenrostro, an associate of Barta and former employee of Sav-Rx, were also released on bond following their arrests. This indictment

alleges that the defendants conspired to bribe an undercover FBI agent and a fictitious official of the “County A” hospital system — with Barta allegedly making a \$6,500 payment to the undercover agent last month — to do business with Sav-Rx. Medrano, Barta and Buenrostro will be arraigned on dates to be determined in this case.

Additional details describing the allegations in both cases may be found at: http://www.justice.gov/usao/iln/pr/chicago/2012/pr0628_01.pdf

The indictments were announced by Gary S. Shapiro, Acting United States Attorney for the Northern District of Illinois; Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; and Thomas Jankowski, Acting Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago. The FBI’s Chicago City Public Corruption Task Force led the investigation with assistance from the Chicago Police Department’s Internal Affairs Division, a task force member.

In both cases, the government is represented by Assistant U.S. Attorneys Christopher J. Stetler and Steven Grimes.

The charges in the indictments carry the following maximum penalties on each count: wire fraud, extortion and extortion conspiracy — 20 years in prison and a \$250,000 fine; bribery — 10 years in prison and a \$250,000 fine; and conspiracy to commit bribery — 5 years in prison and a \$250,000 fine. The Court may also impose a fine on the wire fraud counts totaling twice the loss to any victim or twice the gain to the defendant, whichever is greater. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines.

The public is reminded that indictments contain only charges and are not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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